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December 14, 2005

**VIA ELECTRONIC SUBMISSION**

Ms. Marlene H. Dortch  
Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**RE:** In the Matter of WC Docket 03-250, SBC Communications, Inc. Petition  
for Waiver of Section 61.42 of the Commission's Rules

Dear Ms. Dortch:

On October 21, 2005, AT&T<sup>1</sup> representatives met with Pricing Policy Division staff members regarding AT&T's Petition for Waiver of Section 61.42 of the Commission's rules.<sup>2</sup> During the meeting, Staff requested that AT&T provide answers to several questions specific to the OPT-E-MAN® product referenced in its Petition. AT&T filed detailed responses to those questions on November 15, 2005.<sup>3</sup> Staff subsequently requested additional information regarding the product, which AT&T provides herein.

As AT&T explained,<sup>4</sup> the pricing relief AT&T seeks in its waiver is the same relief the Commission granted to Verizon.<sup>5</sup> AT&T requests that the Wireline Competition Bureau, pursuant to its delegated authority, grant AT&T's waiver.

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<sup>1</sup> SBC Communications Inc. ("SBC"), on behalf of its incumbent local exchange affiliates, filed the Petition for Waiver and comments in this proceeding. SBC recently acquired AT&T Corporation and changed its name to AT&T Inc. Accordingly, this ex parte is filed by AT&T Inc., on behalf of its incumbent local exchange carrier affiliates.

<sup>2</sup> Letter from Sarah L. Green, Associate Director, AT&T, to Marlene H. Dortch, Secretary, FCC, filed Oct. 24, 2005.

<sup>3</sup> Letter from Sarah L. Green, Associate Director, AT&T, to Marlene H. Dortch, Secretary, FCC, filed Nov. 15, 2005.

<sup>4</sup> Letter from Davida Grant, Senior Counsel, AT&T, to Marlene H. Dortch, Secretary, FCC, filed Nov. 15, 2005.

<sup>5</sup> Petition for Waiver of Pricing Flexibility Rules for Fast Packet Services, WC Docket No. 04-246 (rel. Oct. 14, 2005).

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Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. I ask that this letter be placed in the record for the above referenced proceeding.

Please contact me with any questions at 202-326-8831.

Sincerely,

/s/ Sarah L. Green

Attachment

CC: Deena Shetler  
Judy Nitsche  
Marvin Sacks  
Dick Kwiatkowski

## **AT&T<sup>1</sup> Responses to FCC's 2<sup>nd</sup> Data Request for OPT-E-MAN<sup>®</sup>**

OPT-E-MAN<sup>®</sup> service is a packet-switched, advanced service that offers special access customers the ability to connect to AT&T's high-speed packet-switched network using Ethernet. Specifically, OPT-E-MAN<sup>®</sup> transports the customer's data at speeds of 5 Mbs - 1 Gbs between the customer's identified local area networks (LANs) within the same metropolitan area, thereby allowing multiple locations to communicate with each other. OPT-E-MAN<sup>®</sup> is a special access product similar to AT&T's other special access services with variable speeds and destination options.

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### **QUESTION**

**1.) Is OPT-E-MAN<sup>®</sup> service primarily purchased from SBC by end-users or carriers? Who are the retail end-users primarily (e.g., enterprise or medium business customers)?**

**ANSWER:** Retail end-users, specifically medium and large business customers, are the primary purchasers of OPT-E-MAN<sup>®</sup> service from AT&T. The primary retail end-users are financial/banking, medical, and education customers.

### **QUESTION**

**2.) What competitive services are alternatives to OPT-E-MAN<sup>®</sup> for end-users, i.e., what options to OPT-E-MAN<sup>®</sup> do end-users have? Which carriers provide their own version of OPT-E-MAN<sup>®</sup> or the competitive alternative to OPT-E-MAN<sup>®</sup>?**

**ANSWER:** There are multiple alternatives to OPT-E-MAN<sup>®</sup> that are available to end-users, including any combination of ATM, Frame Relay, DSnn services, OCnn services, and SONET Ring services. These alternatives may be purchased from AT&T or other competitors. AT&T is aware of at least 25 competitors that provide similar switched Ethernet services that compete in some or all areas with AT&T's OPT-E-MAN<sup>®</sup> service. These competitors are listed on Table 1 on the following page.

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<sup>1</sup> On November 18, 2005, SBC Communications, Inc. acquired AT&T Corp. The resulting company is now known as AT&T Inc. ("AT&T").

**TABLE 1**

Above Net Inc.	Neon Communications
Bell South	On Fiber Communications
Broadwing	PPL Telecom
Cablevision Systems	Qwest Communications
Cogent Communications	RCN Corp.
Comcast	Sprint Corp.
Cox Communications Inc.	TelCove Inc (formerly Adelphia)
Fiber Net Telecom Group	Time Warner Telecom
Global Crossing	Verizon Communications
Level 3 Communications	WilTel Communications
Looking Glass Networks	XO Communications
Masergy Communications	Yipes
MCI Inc.	

(Source: Heavy Reading Real World Research's *Ethernet Services Carrier Scorecard: North America* Vol. 3, No. 7, April 2005 [http://www.heavyreading.com/document.asp?doc\\_id=70399&WT.svl=hrrepupdates](http://www.heavyreading.com/document.asp?doc_id=70399&WT.svl=hrrepupdates))

**QUESTION**

**3.) Regarding SBC's Diagram 1<sup>2</sup>: Please explain the following: What facilities and equipment are depicted between the "End-User Demarc" and "NTE Router," and what is their function?** [Question 3 continues on the following page.]

**ANSWER:**

The following facilities and equipment are depicted between the "End-User Demarc" and the "NTE Router" on AT&T's diagram below:

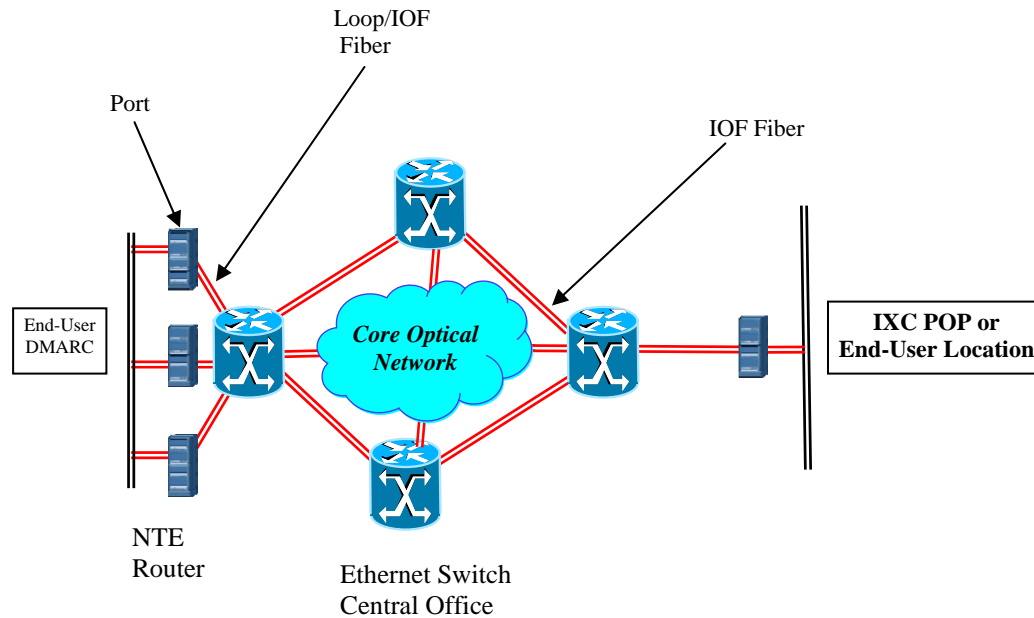
- Network Interface Device (NID). This could be a patch or fiber panel for the demarcation point itself.
- Networking Terminating Equipment (NTE). This is a router that also serves as a switch.

The function of the NID at the demarcation point is to separate the equipment of the network provider from that of the end-user. Typically, a cross-connect is used to connect NID at the end-user premise with the provider's equipment. This cross-connect allows the customer's data to be transported over the competitor's network. The function of the NTE router/switch is to provide an interface to the customer to access the transmission capabilities associated with the OPT-E-MAN<sup>®</sup> network.

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<sup>2</sup> Letter from Sarah L. Green, Associate Director, AT&T, to Marlene H. Dortch, Secretary, FCC, filed Nov. 15, 2005 at 3.

**DIAGRAM 1: OPT-E-MAN<sup>®</sup> Physical Network Architecture for End-User to IXC POP or End-User to End-User Configurations**



### QUESTION 3 CONTINUED

#### Where is the channel termination facility in this diagram?

The facility equivalent to the channel termination is depicted under the “port” label in Diagram 1. The equivalent channel termination facilities in the context of AT&T’s OPT-E-MAN<sup>®</sup> service are the combination of the port, which is located on the NTE router/switch and extends through the local loop and interoffice facilities, and the committed information rate (CIR).<sup>3</sup> The port also acts as an entryway into AT&T’s network. Together, these two components are used to connect the end-user premise to the Ethernet switch and may include any inter-office fiber connecting multiple Ethernet switches across the AT&T network. A channel termination connects an end-user premise to an AT&T central office in the context of AT&T’s traditional special access services.

#### Is the NTE Router located in the end-user premises?

For a retail end-user purchasing OPT-E-MAN<sup>®</sup>, the NTE router/switch is located at the end-user premise. For a competitor purchasing OPT-E-MAN<sup>®</sup>, the NTE router may be located at the end-user’s premise, the competitor’s collocation site or the competitor’s point of presence (POP).

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<sup>3</sup> As defined on page 2 of the letter from Sarah L. Green, Associate Director, AT&T, to Marlene H. Dortch, Secretary, FCC, filed Nov. 15, 2005, the CIR is similar to the speed of the service and determines the amount of information that can be transmitted.

## **QUESTION**

**4.) What does a competitor buy from SBC if the competitor provides its own packet-switched Ethernet service?**

**ANSWER:** To the extent the competitor lacks any necessary underlying special access facilities as an input to offer its own packet-switched Ethernet service to compete with AT&T's OPT-E-MAN<sup>®</sup> service, the competitor may purchase such facilities from third-parties (non-AT&T) or it may purchase special access services from AT&T. Otherwise, the competitor may bypass AT&T's network entirely to provide its own switched Ethernet service by purchasing facilities from a third-parties (non-AT&T) or provisioning its own facilities, in which case, it buys nothing from AT&T.

**4a.) Do competitive carriers in the marketplace today generally provide their own routers and/or Ethernet switches and the facilities connecting them in order to serve an end-user customer that wants Ethernet data service?**

**ANSWER:** Yes, competitors generally provide their own routers and/or Ethernet switches and the fiber facilities necessary to connect their core Ethernet switch to their routers/switch at the end-user location.

## **QUESTION**

**4b.) If so, then what facilities and equipment would such a competitor generally purchase from SBC to serve the end-user? Please identify and describe these facilities and equipment. Also identify for these facilities and equipment the rate elements as they appear in the tariffs, the rates, and the tariffs' name/number/page where this information is located.**

**ANSWER:** When a competitor is not utilizing its own facilities (or the facilities of a third-party provider) to connect an end-user premise with its Ethernet switch, the competitor may purchase special access (e.g., channel terms, interoffice transport) from AT&T to connect to its network terminating switch/router with its Ethernet switch and/or with an end-user. For example, a competitor could purchase a special access channel termination<sup>4</sup> and connect the network terminating equipment to its existing network. Or, a competitor could purchase a special access channel termination and special access interoffice transport to connect to its own Ethernet facilities. Rates for these specific special access services can be found in AT&T's generally available tariffs. Specifically, the "Rates and Charges" section of each tariff provides detailed descriptions of the rates and rate structures associated with each rate element.<sup>5</sup>

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<sup>4</sup> Special access channel terminations are the equivalent to a port and committed information rate (CIR) in AT&T's OPT-E-MAN<sup>®</sup> service.

<sup>5</sup> For example, Ameritech Operating Companies FCC Tariff No. 2 Section 7.5 details the various rates for special access channel terminations and interoffice transport.



**4d.) If such a competitor only purchases a special access line from SBC as an input to offer its own Ethernet data service to the end-user, would it purchase only the channel terminations (or the equivalent) and interoffice transport facilities associated specifically with OPT-E-MAN<sup>®</sup> service (e.g., OPT-E-MAN<sup>®</sup> Basic or Basic Plus Ports and Port Connection rate elements)?**

If a competitor only purchases a special access line from AT&T as an input to offer its own Ethernet data service to the end-user, it could purchase special access services including channel termination and, if necessary, IOF transport to connect the end-user to its facilities. In the case of OPT-E-MAN<sup>®</sup>, the channel termination and interoffice transport equate to a port and CIR offered through AT&T's OPT-E-MAN<sup>®</sup> tariffs. Additionally, a competitor could purchase a special access connection from its POP to the OPT-E-MAN<sup>®</sup> network that could be used to serve multiple end-users that are not directly served by the competitor's switched Ethernet network.

**4d.) CONTINUED**

**Could such a competitor purchase channel terminations (or the equivalent) and interoffice transport facilities associated with a special access line that is provided independently of OPT-E-MAN<sup>®</sup>?**

Yes. A competitor could purchase special access channel terminations and interoffice transport facilities that are provided independently of OPT-E-MAN<sup>®</sup>.

**4e.) If so, what rate elements would such a competitor purchase and what rates would it pay? Identify the tariffs' name/number/page where they are located.**

If a competitor purchases special access channel terminations (or the equivalent) and interoffice transport facilities that are provided independently of OPT-E-MAN<sup>®</sup>, the rates for such special access services would depend upon the service or services purchased. Rates for the specific special access service can be found in AT&T's generally available tariffs. Specifically, the "Rates and Charges" section of each tariff provides detailed descriptions of the rates and rate structures associated with each rate element.<sup>7</sup>

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<sup>7</sup> For example, see Southwestern Bell Telephone Company FCC Tariff No. 73 Sections 7.3 and 7.4 detail the various rates for special access channel terminations and interoffice transport.

**4f.) Do these rates cover the cost for equipment at the end-user customer premises, regardless of whether the competing carrier itself provides this equipment. If so, does a competitor, which installs its own router at the end-user customer premises but buys a special access line from SBC to provide the Ethernet service, pay SBC for end-user equipment that is not provided by SBC? Is this special access line the same as the line that SBC would use to connect the end-user in OPT-E-MAN<sup>®</sup> service? If not, explain in detail how the special access line SBC uses differs from the line it provides to competitors to provide Ethernet data service.**

The rates listed in the answer to question 4e cover the cost of any AT&T-owned equipment at the end-user premise that are used to provision special access service. These rates do not cover the cost of the customer's equipment on the customer's side of the demarcation point.

A competitor that installs customer premise equipment at the end-user premise and buys special access services from AT&T to provide the Ethernet service does not pay AT&T for equipment that is not provided by AT&T.

When a competitor purchases a special access line from AT&T to provide Ethernet service at the end-user customer premise, it is functionally, the same service that AT&T would use to connect the end-user with OPT-E-MAN<sup>®</sup> service.